

SB 391
Conservation Easements on School Trust Land

In 2006, DNRC estimated that they made the following amount of money on "traditional uses" on school trust lands annually:

Production of Crops (571,000 acres):

Dryland crops = \$12/acre

Irrigated crops = \$30/acre

Average = \$16/ acre

Grazing Land (4.3 million acres):

Average = \$1.25/acre

Timber Land (730,000 acres):

Average = \$17 - \$18/acre

Real Estate Management (21,936 acres)

Average = \$81.73/acre

Conservation Easement (one time income – placed in permanent trust):

- In 2004, MT Fish, Wildlife and Parks completed a Conservation Easement on 6,850 acres of land, paying \$1,598,965.
- The easement allows grazing, but not farming.
- The easement requires the equivalent of 300 MBF (thousand board feet) annually – through harvest or compensation.
- **Price per acre in the permanent trust = \$233/acre**
- Annual income on \$1,598,965 at 5.69% income rate: \$90,981 or \$13.28 per acre

Source: Montana Department of Natural Resources and Conservation, Fiscal Year 2006 Annual Report and personal communication with Tom Schultz, Trust Land Division staff on February 22, 2007.